

REVENUE DEPARTMENT[701]

Adopted and Filed

Rule making related to excise tax rate on motor fuels

The Revenue Department hereby amends Chapter 68, “Motor Fuel and Undyed Special Fuel,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 421.14 and 452A.59.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 452A.3.

Purpose and Summary

This rule making amends subrule 68.2(1) to adjust the excise tax rate on gasoline from 30.5¢ per gallon (ending June 30, 2018) to 30.7¢ per gallon (beginning July 1, 2018) pursuant to the formula prescribed by Iowa Code section 452A.3. The ethanol distribution percentage for calendar year 2017 is between 65 percent and 70 percent, an increase from 2016. As a result, pursuant to Iowa Code section 452A.3(1)“b”(5), in fiscal year 2019 the excise tax rate for ethanol blended gasoline will remain 29¢ per gallon, but the excise tax rate for gasoline will increase from 30.5¢ per gallon to 30.7¢ per gallon.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on November 21, 2018, as **ARC 4133C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on December 26, 2018.

Fiscal Impact

Under the excise tax rates applicable for fiscal year 2019 as implemented by the rule change and as required by statute, it is estimated that, accounting for refunds, collections will be \$453.6 million, resulting in an increase of \$1.1 million in revenues.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on February 20, 2019.

The following rule-making action is adopted:

Amend subrule 68.2(1) as follows:

68.2(1) The following rates of tax apply to the use of fuel in operating motor vehicles and aircraft:

Gasoline	20.3¢ per gallon (for July 1, 2003, through June 30, 2004) 20.5¢ per gallon (for July 1, 2004, through June 30, 2005) 20.7¢ per gallon (for July 1, 2005, through June 30, 2006) 21¢ per gallon (for July 1, 2006, through June 30, 2007) 20.7¢ per gallon (for July 1, 2007, through June 30, 2008) 21¢ per gallon (for July 1, 2008, through February 28, 2015) 31¢ per gallon (for March 1, 2015, through June 30, 2015) 30.8¢ per gallon (for July 1, 2015, through June 30, 2016) 30.7¢ per gallon (for July 1, 2016, through June 30, 2017) 30.5¢ per gallon (beginning for July 1, 2017, through June 30, 2018) 30.7¢ per gallon (beginning July 1, 2018)
Ethanol blended gasoline	19¢ per gallon (for July 1, 2003, through February 28, 2015) 29¢ per gallon (for March 1, 2015, through June 30, 2015) 29.3¢ per gallon (for July 1, 2015, through June 30, 2016) 29¢ per gallon (beginning July 1, 2016)
E-85 gasoline	17¢ per gallon (for January 1, 2006, through June 30, 2007) 19¢ per gallon (for July 1, 2007, through February 28, 2015) 29¢ per gallon (for March 1, 2015, through June 30, 2015) 29.3¢ per gallon (for July 1, 2015, through June 30, 2016) 29¢ per gallon (beginning July 1, 2016)
Aviation gasoline	8¢ per gallon (beginning July 1, 1988)
Diesel fuel other than B-11 or higher	22.5¢ per gallon (on and before February 28, 2015) 32.5¢ per gallon (beginning March 1, 2015)
Biodiesel blended fuel (B-11 or higher)	22.5¢ per gallon (on and before February 28, 2015) 32.5¢ per gallon (for March 1, 2015, through June 30, 2015) 29.5¢ per gallon (beginning July 1, 2015)
Aviation jet fuel	3¢ per gallon (on and before February 28, 2015) 5¢ per gallon (beginning March 1, 2015)
L.P.G.	20¢ per gallon (on and before February 28, 2015) 30¢ per gallon (beginning March 1, 2015)
C.N.G.	16¢ per 100 cu. ft. (on and before June 30, 2014) 21¢ per gallon (for July 1, 2014, through February 28, 2015) 31¢ per gallon (beginning March 1, 2015)
L.N.G.	22.5¢ per gallon (on and before February 28, 2015) 32.5¢ per gallon (beginning March 1, 2015)

[Filed 12/26/18, effective 2/20/19]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/16/19.